

ATTACHMENT 4-D-1

Procedures for operation of diamond sales program and sales center at Citibank NY.*A. Requests availability of material for sales offering*

DNSC-C

B. Reviews diamond inventory and chooses material for sale

DNSC-OL

C. Controls access to sales center

DNSC-OL

A DNSC-OL custodian will control access to the Citibank vault at all times. The Citibank Corporation will be advised by DNSC-OL of the names of personnel authorized to control access to the vault.

All personnel, with the exception of potential bidders for industrial diamonds, planning to visit the Citibank vault shall be approved by the Director, Directorate of Storage Operations, prior to the visit. The person or persons shall provide in writing the purpose for visiting the facility. The request must contain the following information: Date(s) of visit, visitor's name(s), social security number(s), title(s), division employed by, and signature(s). DNSC-OL shall give notification of approval or disapproval after reviewing the request. Only these persons having prior approval will be granted access to the Citibank vault.

D. Transfers material from vault "B" to vault "A"

DNSC-OL Vault Team

Hand to hand signature receipt will be issued by a custodian receiving material into vault "A". the custodian will be fully responsible and accountable for material in vault "A".

E. Reserve Material

Reserve material will be kept in a sealed steel container inside compartment "A". Individually numbered metal button seal will be used to secure the container. A logbook will be maintained by the vault custodian to document the amount of reserve material, the additions and subtractions, and the seal numbers.

F. Prepares representative samples of material for inspection by potential bidders and verifies weights.

Diamond stones are 100% check weighed. DNSC-OL will establish a display (in unsealed containers) size for stones. The remaining material will be placed in sealed glass jars.

G. Prepares Solicitation (I.F.B.) exhibit of material offered for sale

DNSC-C will be responsible for IFB of lotted and weighed material.

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Procedures for operation of diamond sales program and sales center at Citibank NY.*H. Prepares Written evaluation (prior to bid opening) of material offered for sale*

A contract will be awarded by DNSC-C to an independent appraiser who will inspect and appraise the material offered for sale. Appraiser submits a sealed evaluation directly to DNSC-O who then transfers it (unopened) to the bid custody of the DNSC-OL commodity specialist who retains it under lock and key until the bid opening. Immediately following bid opening, the sealed appraisal is given to the DNSC-C contracting officer.

I. Arranges appointments for prospective bidders to inspect samples

DNSC-OL

Inspection of diamonds will be made by appointment only. Requests for appointments to view the material should be made in writing on a firm's letterhead addressed to DNSC-OL naming the person (s) (maximum of 2 at any one time) who will visit the center. No more than six firms will be accommodated simultaneously.

J. Monitors inspections

DNSC-OL Vault Team

Personnel inspecting the material shall be closely monitored. Each unsealed lot of industrial diamond stones will be checked weighed before and after inspection by each bidder. A firm will not be permitted to inspect more than one lot at a time. Sieving of diamond stones will not be permitted. All unsealed material will be reweighed at the conclusion of the inspection period before repackaging and storing in vault "B".

K. Bid opening and evaluation

DNSC Commodity Team (DNSC-C, OL, M)

L. Receipt of payment

DNSC-R

Payment must be received no later than the Friday preceding the week for which delivery of material is requested.

M. Request for release of material

DNSC-C

After receipt of payment and receipt of the purchaser's shipping instructions, the Contracting Officer will request that DNSC-OL issue a shipment order.

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N. Authorized release of material

DNSC-OL

Issues shipment order and arranges a scheduled pick up with the purchaser. The purchaser will provide the name and a signature specimen of its agent.

O. Delivery of material

DNSC-OL Vault Team

Deliveries will be made one day a week, ONLY. The purchaser's agent will acknowledge receipt of the material at Citibank by signing a hand-to-hand signature receipt. The duly authorized agent will be required to provide identification acceptable to the team prior to taking delivery of the material at Citibank vault "A". Reweighing will be performed at time of delivery if requested by the purchaser's agent.

P. Prepare outbound storage report

DNSC-OL